



State of Wisconsin
Group Health Insurance
FACT SHEET 2004

PROGRAM REVIEW

- Created by Wisconsin statutes Chapter 40.
- Department of Employee Trust Funds and Wisconsin Group Insurance Board (GIB) have statutory authority for program administration and oversight (Wis. Stat. § 15.165 (2)).
- Health maintenance organization (HMO) plans follow the GIB guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits.
- HMOs participate in yearly competitive premium rates bid process.
- Standard Plan and State Maintenance Plan (SMP) are self-insured by the GIB and are administered by Blue Cross Blue Shield United of Wisconsin. The Standard Plan is a preferred provider plan.
- The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions.

HEALTH INSURANCE CHOICES

Active employees:

- 16 insurers, 20 service areas
- Two fee-for-service plans (Standard Plan and SMP)

Retirees:

- 16 insurers, 20 service areas
- Two fee-for-service plans (one for those Medicare eligible in lieu of Standard Plan coverage)

PARTICIPANTS

Who is eligible:

- State employees participating in the Wisconsin Retirement System (WRS).
- Elected state officials and members or employees of the legislature.
- University of Wisconsin System - visiting faculty; graduate assistants employed at least one-third of full-time.
- Blind employees of Workshop for the Blind with at least 1,000 hours of service.
- State retirees, their surviving spouses and dependents, and former employees who have 20 years of state service.
- Local government employees participating in the WRS whose employer elects to participate.
- Local government retirees and employees who terminate employment after age 55 (age 50 for protectives) and have 20 years of creditable service.

Participating employees as of June 2004:

- State Employee Health Benefit Plans.
 - Active employees: 68,856 (93.5% enrolled in HMOs)
 - Retirees: 21,512 (59.6% enrolled in HMOs)
- Public employees whose employer has elected to participate.
 - Active employees: 11,457
 - Retirees: 1,881
- Local Annuitant Health Plan (Offered to individual retirees regardless of employer participation. Choice of Medicare Supplemental or Comprehensive Major Medical coverage only.)
 - Retirees: 321

Participating employers:

- All state agencies, legislature and executive branch.
- Public employers who file a resolution to participate.

COVERAGE OPTIONS

- Single (subscriber only) or family (includes legal spouse and all dependent children).
- Continuation Coverage: In cases where active coverage ends, continuation allows an extension of coverage for up to 36 months at group rates. The subscriber pays the full premium.
- Dual-Choice Enrollment: This enrollment opportunity occurs in October of each year. Insured employees may change plans or their level of coverage. The change is effective on January 1 of the following year.

COSTS

- Total premium rates vary by plan and location.
- Employer contribution:
Employer/employee costs vary by county of residence or where medical care is received.
 - State: (not including UW graduate assistants and short-term academic staff): transitioning from the lesser of 90% of the Standard Plan or up to 105% of the lowest cost qualified HMO in each county (but in no case more than 100% of premium) to employer/employee share determined by placing health plans in one of three tiers based on the efficiency and quality of care the plan provides to members.
 - State: UW graduate assistants and short-term academic staff: transitioning from the lesser of 80% of the Standard Plan or 100% of the lowest cost qualified HMO in each county to employer/employee share determined by placing health plans in one of three tiers based on the efficiency and quality of care the plan provides to members.
 - Retirees: No employer contribution. State employees' sick leave credits can be applied toward premium.
- Balance of premium paid by subscriber.

COMPARATIVE DATA FOR STATE EMPLOYEES AND RETIREES

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<u>Standard Plan *</u>								
<u>Premium Rate</u>								
Single	\$672.70	\$795.04	\$705.70	\$483.40	\$392.40	\$330.34	\$305.28	\$305.28
% Increase	-15.3	12.7	46.0	23.2	18.8	8.2	0	4.0
Family	\$1,622.90	\$1,953.50	\$1,726.20	1,176.20	962.00	\$813.98	\$752.00	\$752.00
% Increase	-16.9	13.2	46.8	22.3	18.2	8.2	0	4.0
<u># Contracts (June)</u>								
Active Single	780	325	286	439	517	861	776	572
Active Family	869	232	243	407	452	672	656	608
Retirees including Direct Pay	8,310	7,656	7,774	8,228	8,565	8,852	8,877	9,014
<u>SMP Fee-for-Service</u>								
<u>Contracts** (June)</u>								
Active Single	651	574	638	647	614	983	732	720
Active Family	2,076	878	850	934	975	1,453	1,245	1,294
Retirees including Direct Pay	389	589	487	453	428	560	551	427
<u>HMOs</u>								
<u>Average Premium Rate***</u>								
Single	\$390.25	\$349.15	\$319.48	\$282.96	\$247.60	\$224.82	\$209.22	\$198.39
% Increase	11.8	9.3	12.9	14.3	10.1	7.5	5.4	2.5
Family	\$957.88	\$865.55	\$787.15	\$700.58	\$616.90	\$571.26	\$525.59	\$498.52
% Increase	10.7	10.0	12.4	13.6	10.2	8.6	5.4	2.4
<u># Contracts (June)</u>								
Active Single	23,354	22,898	23,682	21,286	20,489	19,413	18,818	18,968
Active Family	41,126	43,720	42,864	41,173	40,196	39,364	38,936	38,894
Retirees	12,813	12,829	11,772	10,877	10,224	9,328	8,890	8,245
<u>Annual Total Premium</u>								
All plans, calendar year, no direct pays (in thousands)	\$783,455	\$709,712	\$625,945	\$531,768	\$444,372	\$388,885	\$355,533	\$333,944

* Standard Plan I and Standard Plan II were combined into a single plan for 2004.

** Contract counts include Standard Plan II for years prior to 2004.

*** Average premium of Dane County plans.